

Willis

July 8, 1999

Utah Dept. of Natural Resources
Division of Oil, Gas &
Mining
Suite 1210
Salt Lake City, UT 84114-5801

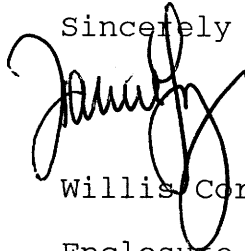
7 Hanover Square
New York, NY 10004-2594
Telephone 212-344-8888
Fax 212-344-8511
Cable NOORROC
Telex:
Domestic 12-8283
International 421034-ITT

Dear Certificate Holder:

Enclosed is the Certificate of Insurance issued on behalf of
Lodestar Energy, Inc. and subsidiaries.

Should you have any questions please feel free to call.

Sincerely yours,



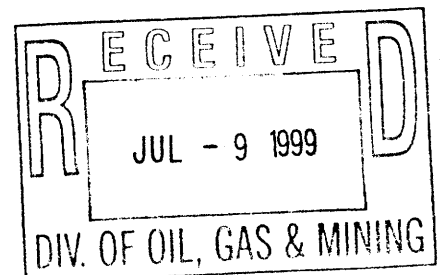
Willis Corroon Corporation of New York

Enclosure

cc: Lodestar Energy, Inc. and subsidiaries
Reliance Insurance Company
Reliance National Insurance Company

ACT/1007/020 #4

*Certificate
orig. to fireproof
copies to #4,
Pan, #FO*



Willis Corroon
Corporation of
New York
Insurance Brokers
Consultants

ACORD CERTIFICATE OF LIABILITY INSURANCE

PAGE 1 OF 1

DATE (MM/DD/YY)
8-JUL-1999

PRODUCER
Willis Corroon Corporation of New York
7 Hanover Square
New York NY 10004-2594
(212) 344-8888

89613

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY **A** Reliance Insurance Company

COMPANY **B** Reliance National Insurance Company

COMPANY **C**

COMPANY **D**

Daniel Leung

INSURED

Lodestar Energy, Inc. and subsidiaries
333 West Vine Street
Suite 1700
Lexington KY 40507

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	NGB0144-018	01-FEB-1999	31-AUG-1999	GENERAL AGGREGATE \$ 2,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG \$ 2,000,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PERSONAL & ADV INJURY \$ 2,000,000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT				EACH OCCURRENCE \$ 1,000,000
					FIRE DAMAGE (Any one fire) \$ 500,000
					MED EXP (Any one person) \$ 5,000
A	AUTOMOBILE LIABILITY	NKA0144-017	01-FEB-1998	31-AUG-1999	COMBINED SINGLE LIMIT \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input checked="" type="checkbox"/> HIRED AUTOS				
	<input checked="" type="checkbox"/> NON-OWNED AUTOS				
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT \$
	<input type="checkbox"/> ANY AUTO				OTHER THAN AUTO ONLY:
					EACH ACCIDENT \$
					AGGREGATE \$
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	TBD	09-JUL-1999	09-JUL-2000	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER
	THE PROPRIETOR/ PARTNERS/EXECUTIVE OFFICERS ARE:				EL EACH ACCIDENT \$
	<input type="checkbox"/> INCL <input type="checkbox"/> EXCL				EL DISEASE-POLICY LIMIT \$
	OTHER				EL DISEASE-EA EMPLOYEE \$

RECEIVED
JUL - 9 1999
DIV. OF OIL, GAS & MINING

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

Permit # ACT/007/020 Horizon Coal Mine

The General Liability policy includes explosive coverage.

CERTIFICATE HOLDER

Utah Dept. of Natural Resources
Division of Oil, Gas &
Mining
Suite 1210
Salt Lake City UT 84114-5801

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL SEND BY MAIL 45 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT,

BY FAX OR BY MAIL TO THE ADDRESS LAST KNOWN TO THE ISSUING COMPANY. THE COMPANY'S AGENTS AND REPRESENTATIVES SHALL BE DEEMED TO HAVE BEEN ADVISED BY SUCH NOTICE.

AUTHORIZED REPRESENTATIVE

Daniel Leung